

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	FOOD SUPPLEMENT PROGRAM MANUAL	
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409.1 Purpose

This section identifies which households must have their eligibility determined using the gross and net income standards, and which households have their eligibility determined using only the net income standard. It also describes the process for calculating net income and allotment level.

409.2 General Policy

- A. Determining a household's eligibility for Food Supplement Program (FSP) benefits is a two step process:
 1. Determining eligibility to participate; and
 2. If eligible, determining the amount of the allotment.
- B. The determination of eligibility involves three questions:
 1. Does the household meet all of the non-financial and resource criteria?
 2. Does the gross income exceed the gross income limit in Section 600 Column A (130% of the Federal income poverty level or 200% if categorically eligible)?
 - (a) Gross income is a household's total, non-excluded income before any deductions are given.
 - (b) **The gross income limit does not apply to households containing an elderly or disabled member or to households that are categorically eligible.**
 - (c) Categorically eligible Public Assistance or Supplemental Security Income (SSI) households are described in Section 115 of this manual.
 3. Is the net income after all deductions less than the net limit in Section 600 Column B (100% of the Federal poverty level)?
 - (a) Net income is the gross income minus the program's allowable deductions.
 - (b) **The net income limit does not apply to households that are categorically eligible.**

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409.3 Calculation of Net Monthly Income

Follow the procedures described below to determine a household's net income:

- A. Compute total countable monthly income.

Example: Household's income is:

Self-employment	\$200
Earnings	\$500
SSI	<u>\$400</u>
Total Income	\$1100

- B. Subtract 30 percent of the gross self-employment income as a deduction for cost-to-produce as described in Section 104.7.

Example: SE $\$200 \times .30 = \60
Countable SE income is \$140 ($\$200 - \60)

- C. Subtract an earned income deduction of 20 percent of gross monthly-earned income.

Example:	Countable SE	\$140
	Earnings	<u>\$500</u>
	Total	\$640

Earned income deduction is \$128 ($640 \times .20$)
Earned and SE income is \$512 ($\$640 - \128)

- D. Subtract a standard deduction in the amount of \$134.

Example:	Total countable income	\$912 (SSI \$400+\$512)
	Minus Standard Deduction	
	for the household size (see Section 600)	<u>\$134</u>
		\$778

- E. Subtract medical expenses in excess of \$35 per month incurred by a household member who is elderly or disabled as described as described in Section 212.8.

Example: Monthly medical expense is \$50. The allowable deduction is \$15 ($\$50 - \$35 = \15).
Income after medical deduction $\$778 - \$15 = \$763$

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409.3 Calculation of Net Monthly Income (continued)

- F. Subtract payments for the actual cost paid by the household to someone outside the household for the care of a child or other dependent as described in Section 212.7.

Example: Child Care for child age 4 = \$50/month
Income after child care \$763-\$50=\$713

- G. Subtract payments for child support for a person living outside the home as described in Section 212.11.

Example: Court ordered child support is \$80/month.
\$713-\$80=\$633

- H. Subtract a homeless shelter allowance as described in Section 212.10.

- I. Subtract any excess shelter cost.

1. Excess shelter cost is the amount of the shelter cost, as described in Section 212.9 that exceeds 50 percent of the amount of income remaining after the deductions in Sections A – G above.

Example: Shelter cost total \$600
\$600-316 (633x.50)=\$284 (uncapped because of SSI member)

2. Subtract the excess shelter cost not to exceed the maximum in Section 600.

Example: Net income \$349 (\$633-\$284)

3. If the household contains an elderly or disabled member as described in Section 212.3A, subtract the total amount of the excess shelter cost.

- J. Households are **not entitled to both an excess shelter deduction and a homeless shelter allowance.**

409.4 Determining Benefit Level

- A. The household's monthly allotment is equal to the Thrifty Food Plan (maximum FSP allotment) for the household's size reduced by 30 percent of the household's net monthly income as calculated in Section 409.3 above.

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409.4 Determining Benefit Level (continued)

Example: Household size is 3
TFP is \$366
FS allotment is \$261
 $\$349 \times .30 = \104.70
 $\$366 - \$105 = \$261$

B. The local department will round up:

1. The product of 30 percent times the household's net income to the next whole dollar if it ends in 1 through 99 cents; and
2. To \$2, \$4, or \$6, respectively if an allotment of \$1, \$3, or \$5 results.

C. CARES will prorate FSP benefits for an initial month as described in Section 412. If the calculation of the initial monthly allotment yields an allotment of less than \$10 for the household, CARES will not issue a benefit for the initial month.

D. **Except** during an initial month, **all eligible one and two person households** will receive a **minimum monthly allotment of \$16**, and all eligible households with three or more members which are entitled to \$1, \$3, or \$5 allotments will receive allotments of \$2, \$4, or \$6, respectively.

E. A **one or two person categorically eligible household** will always receive **at least a \$16 allotment**, regardless of how high the net income is.

Exception: An initial month may be prorated.

F. In accordance with *Md. Human Services Code Ann. § 5-501(d)*, effective October 1, 2016, households that receive FSP benefits in an amount less than or equal to \$29 a month and include a person who is at least 62 years old, will receive a state supplement that is the difference between \$30 and the household's current benefit.

1. This benefit is known as the Minimum State Supplement.
2. The benefit will automatically post as cash to the household's EBT account.

G. Categorically eligible households of three or more persons will receive the allotment listed for the net income on the Basis of Issuance Table. Some categorically eligible households of three or more members may not receive an allotment even when eligible for FSP benefits according to the standards. There is no minimum benefit for households of three or more. The CARES system will automatically close or deny the case.

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- H. For households that are not categorically eligible, the local department will deny eligible households with three or more members that are entitled to no benefits because net income exceeds the standard.

Exception: Do not deny a household that is program eligible but benefit ineligible in the initial month due to the proration of benefits.

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409.4 Determining Benefit Level (continued)

- I. A household that files a joint public assistance-FSP benefit application and is categorically eligible after being denied NPA FS benefits will have its FSP benefits for the initial month prorated from the later of:
 1. The date from which the local department determines that the household is eligible for public assistance; or
 2. The date of the original FSP application.

409.5 Change of Eligibility Standard

When a household's circumstances change and it becomes entitled to a different income eligibility standard, the LDSS will apply the different standard at the next recertification, or whenever the agency changes the household's eligibility, benefit level, or certification period, whichever occurs first.

Example: When a household member turns sixty years old, the household is subject to only the net income standard and would be eligible for an uncapped shelter cost deduction.